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FOOTNOTES

[1] Hilary Minc, *A Fruitful Collaboration of Free Peoples*, quoted after *Pravda*, Moscow, by *Zycie Gospodarcze* (Economic Life), Warsaw, 1951, No. 19. Minc states that, in comparison with 1938, the total industrial output in the first half of 1951 reached 165 percent in Czechoslovakia, 208 percent in Rumania, 268 percent in Poland, 273 percent in Hungary and 335 percent in Bulgaria, while that of Albania reached 423 percent in 1950. The 1938 level of the industrial output in the Soviet zone of Germany was exceeded towards the end of 1950, and by the middle of 1951 might have reached 115 percent of the 1938 production.

[2] Jean Chardonnet, *Les conséquences économiques de la guerre*, Paris, Hachette, 1947.

[3] No detailed exact figures of the coal output in the Silesian-Ostravan basin can be given. It is not easy to distinguish it statistically from the global data of output in Poland and Czechoslovakia, both of which have coal mines outside of that basin. The annual and long-range plans of all captive countries are based only upon such global data and do not make distinction between the productions of individual basins.

[4] Hungarian, Rumanian and Bulgarian statistics do not make sufficient distinction between black and brown coal. Figures concerning the coal output in these three countries are estimated according to the ratio between the output of the two kinds of coal as known from previous statistics. That ratio is supposed to be constant.

[5] During the third quarter of 1951 the plan for coal extraction in Eastern Germany was not entirely fulfilled, yet output increased by 11.5 percent in comparison with the corresponding quarter of 1950 (*Wirtschaft*, Berlin, 1951, No. 43). The minor Czech coal basins were by the end of September 1951, about 150,000 tons, *i.e.*, some 3 or 4 percent behind the prescribed target (speech by Premier Zápotocký, *Rude Pravo*, Prague, 1 November 1951). The Hungarian coal and lignite mines were 6 percent behind the plan for the second quarter of 1951, and 10 percent behind that for the third quarter (*Nepszava*, Budapest, 23 October 1951); yet an official report claimed that in the second quarter of 1951 the output of both black and brown coal exceeded by 22 percent that of the second quarter of 1950 (*Gospodarka Planowa*, Warsaw, 1951, No. 9); the Tatabánya black coal mines were responsible for almost half the coal deficit (speech by Rakosi, *Nepszava*, 23 October 1951). In Rumania the situation was apparently somewhat

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more favorable: although the output of black and brown coal was also lagging behind schedule, its extraction in the second quarter of 1951 was claimed to have exceeded that of the second quarter of 1950 by 26 percent (*Gospodarka Planowa*, 1951, No. 10). No detailed data are known for coal extraction in Bulgaria.

[6] 100 million tons (according to some indirect indices, 103 million) in Poland, 25 million in Czechoslovakia, 3.5 million in Eastern Germany, about 3 million in Hungary, about one million in Rumania, and about 0.5 million in Bulgaria. The Eastern German target, originally set at 4 million tons, was subsequently reduced to 3.5 million tons (the Law of 1 November 1951, *Wirtschaft*, Berlin, 1951, No. 44) — the only known instance of this kind. Yet various utterances of the chief planners in Poland and Rumania, and of Eastern Germany as well, leave little doubt that the long-range economic plans of these countries, supposed to terminate by the end of 1955, will be accelerated by one year, as has already happened with the Czechoslovak and Hungarian plans. In anticipation of that step, the writer assumes throughout his study that the figures of planned output in Eastern Germany, Poland, and Rumania in 1955 in fact pertain to 1954. An arbitrary but plausible figure of one million tons increase in the coal output in Czechoslovakia has been accepted for 1954 in comparison with the output planned for 1953.

[7] London *Economist*, 24 February 1951. According to the Soviet Fourth Five Year Plan, that figure should have been 86 million tons. Since the plan was overfulfilled, it was probably larger.

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[8] Most of the descriptive data on lignite comes from an exhaustive study by Sir Richard Redmayne, *Encyclopædia Britannica*, 1943, Vol. V. p. 878 ff.

[9] United Nations, Geneva, 1950, p. 231.

[10] Redmayne, *op. cit.*

[11] In its original version of 1950 the Eastern German Five Year Plan foresaw a production of 205 million tons of lignite by 1955. The new figure of 225.2 million tons in 1955 comes from the revised version of the plan as adoped in the law of 1 November 1951, (*Wirtschaft*, Berlin, No. 44, 2 November 1951).

[12] The first figure is based on the indices of the coal production in 1951 in comparison with the preceding years, as published by the Soviet press. The second comes from Stalin's speech of 9 February 1946.

[13] In his speech of 7 November 1951, Beria stated that in the course of the past several years the output of coal in the Soviet Union has been growing on the average of 24 million tons per year. (*Pravda*, 7 November 1951).

[14] The vast Lauchhammer lignite coking plant now under construction (and possibly some other new plants) is expected to produce 300,000

economic conditions and the special requirements of the first Five Year Plan. Indeed, the first collectivization drive was expected to bring only 14 per cent of the land into the "socialist sector". The overwhelming success of the drive was as much a surprise to the Communist leadership as to the peasants themselves. And it was only when the drive turned out to be so phenomenally successful that the Communist planners stepped up the targets and pace of the Five Year Plan itself.

The agricultural crisis which inspired the collectivization drive of the first Five Year Plan had its origins in two situations: First, the acute grain shortage of 1927-28, and second, and more important, the post-Revolutionary structure of the land (see Chart I). As a result of the peasant revolution of 1917-18, the small and medium peasantry occupied almost all the arable land in the Soviet Union. Where they had produced only 50 per cent of nation's grain in pre-war times, they produced 85 per cent in 1926-27. Since the poor and middle peasants marketed a far smaller percentage of the grain they produced than had the great landowners and kulaks of pre-war times, their domination of the land produced a serious drop in marketed commodities.

Thus, while total grain production had declined by only five per cent below pre-Revolutionary levels, marketed grain had declined by *more than* 50 *per cent* – from 26 per cent of five billion poods in 1913 to 13.3 per cent of 4.749 billion poods in 1926-27.[20] The cities received far less grain than they had received in pre-war times; and due to a number of factors (among them the competition between various State purchasing agencies), the cities were paying a higher price for the grain they could obtain. One of the most serious consequences of this new relationship was the fact that little grain was available for foreign export to pay for desperately needed capital equipment.

The basic problem for the regime was to create an agricultural structure which would enable the State to siphon off a *far greater proportion of the total product*, at a price it wished to pay, than was possible under the conditions of NEP. While it is true that the regime wished to increase total agricultural production, and may have expected to achieve the goal through increased mechanization of the farms, this target was secondary. For achieving the primary goal – extraction of a greater *proportion* of the produce –

[20] A pood equals 36 pounds.

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471 private hands. In practice, nationalisation was carried out without legal sanction and under cover of a law passed on 24th November, 1944, for the expropriation of the property of the national enemy and his collaborators. On 19th January, 1946, *The Economist* estimated that the proportion of state and co-operative industry in Yugoslavia was 70-80 per cent, and the Moscow journal *New Times* of 15th March, 1946, wrote: 'The Government is in possession of 82 per cent of all industry, while private establishments account for only 18%'.

474 After this survey of the ownership of industry in Poland,
655 Czechoslovakia and Yugoslovia, a brief examination is
443 necessary of the control of trade. In all three countries private property lingers on to a large extent in one sphere besides agriculture, that of retail trade. In his speech mentioned above, Roman Zambrowski pointed out that in Poland the state and the co-operatives handle only 25-30 per cent of retail trade (in wholesale trade private ownership is negligible, the state taking 59 per cent of the turnover, the co-operatives 36.6 per cent, a total of 95.6 per cent). A similar situation exists in Czechoslovakia. Of the situation in Yugoslavia, B. Kidrić, said: 'Whereas in 1945, 85% of trade was still carried on through private shops, 12% through co-operatives and only 3% through state shops, in 1946 state shops already participated in trade with 19.2%, cooperative with 32% and the private shops dropped to 48.8%' (B. Kidrić, op. cit. p. 29).

'. . . on March 31st, 1948, private shops still participated with only 1.78%, the state shops with 39.91% and the co-operative with 58.31%'. (Ibid. p. 31).

In May, 1948, a new law nationalised all the remaining private trade in Yugoslavia.

In these three countries, the proportion of the economy in private hands was no greater than in Soviet Russia during the N.E.P.*

Hungary and Rumania

In Hungary and Rumania, Russia's demand for reparations and her schemes for the building of mixed companies which

*According to the Comintern weekly, *International Press Correspondence*, of 26th November, 1927, the percentage of private industry in the total industrial production of Russia in 1925/6 was 18.7 per cent. The proportion of wholesale trade in private hands was 9.4 per cent of the turnover and of retail trade 38.8 per cent (In 1927/8 the figures were respectively 1.5 and 27.0).